Governments, to help them with materials and also to strengthen the intelligence services at the Central level.

SHRI P. CHIDAMBARAM: Sir, intelligence is a very vital aspect of police functioning. Our own intelligence agencies have been considerably upgraded in the last 4 or 5 years. Our training facilities for Policemen and officers taken into our intelligence agencies in the Centre have been csnsiderably enhanced during the last 4 or 5 years. As far as the State Police is concerned, intelligence is a neglected area. In fact whatever goes by way of intelligence is really political intelligence. They really don't spare the effort and the time •for intelligence on terrorism, intelligence -on subversion, intelligence on criminal activities and intelligence on anti-national activities. During the last conference of DIGs and IRGs., a whole session was devoted to discussing the intelligence functioning of the State Police forces. The Central agencies run courses to which the officers of the State Governments are invited so that they can upgrade their intelligence capabilities. Most of the State Governments respond to these courses very well. But I would endorse the hon. Member's suggestion that the State Police forces must devote more time, more money and more effort to intellignce functions in a wider sense.

DR. YELAMANCHILI SIVAJI-. Sir, is it a fact that modern arms are being smuggled into the country across the border? To combat this, is there any proposal with the Government to allow the State Governments to import arms? That is my first question. My second question is this. Hon. Minister mentioned that enough money has been given to Andhra Pradesh Government to combat extremism and enough weapons have been given. What is the actual amount that has been allotted to Andhra Pradesh to combat extremism and what is the number of weapons that has been given to Andhra Pradesh to meet this extremism?

SHRI P. CHIDAMBARAM: Sir, there is no proposal to allow the State Governments to import arms. On the contrary, Sir, the flow of arms into the country is not by genuine importers. It is by smugglers who have a nexus with terrorists. The answer is to stop them on the border and to seize the arms on the border. Allowing State Governments to import arms is not the answer to smuggling of arms across Punjab and Rajasthan borders.

As regards the amounts given to Andhra Pradesh, we give a grant under the scheme of modernisation. We expect that the Government of Andhra Pradesh will apply it to the area of its need. Today the area of need is to combat the naxalite menace in 6 or 7 affected districts. I cannot say how they use this money although we get the utilisation reports. Again, in the last four years, the following amounts have been given to Andhra Pradesh: 1985-86—> 63.01 lakhs of rupees; 1986-87—62.05 lakhs of rupees; 1987-88—118.16 lakhs of rupees and 1988-89—63.76 lakhs of rupees.

As far as weapons are concerned, we have given to Andhra Pradesh since October 1987—I am only counting weapons given since October 1987—a total of about 3200 weapons of various types. It would not be in public interest to disclose the type of weapons. We will continue to give them weapons. I told the then Home Minister of Andhra Pradesh that our training facilities are available to their armed Police. We have also given them a certain amount of C.R.P.F.

MR. CHAIRMAN; Question No. 142.

*142. *[The questioner (Shri D. B. Chandre Gowda) was absent. For answer,* vi3e *Cols.* 30-31 infra]

**Agreement with Canada for providing soft loan**

•143. SHRI KAMAL MORARKA:f
SHRI YASHWANT SINHA:

Will the Minister of FINANCE be pleased to state:

(a) whether any agreement has been signed with Canada for providing soft loan assistance to India; and

The Question was actually asked on the floor of the House by Shri Karnal Morarka.

b) if so, what aie the terms and conditions thereof and the extent of assistance to be received?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) There is no such subsisting agreement.

(b) Does not arise.

SHRI KAMAL MORARKA: i have asked for the terms of the soft loan from Canada. The Government was negotiating a soft 'oan- Canada had offered a sott loan. I wanted to know what are the terms on which they have offered the soft loan, what are the items whether it is tied to a particular line of credit or whether it is a/i open loan. What 's the rate of interest? The Minister says that "there is no such subsisting agreement". Probably the negotiations are not complete. He might not have signed the loan till now. Please tell us what it is that the loan is envisaged for. The external debt poisition of the country is very precarious and the whole House has been discussing it for many days. I would like the Minister also to tell what the soft loans from Canada are. he total amount of loan, the terms and conditions of that loan and when that has to be repaid.

SHRI B. K. GADHVI: Sir, since 31st h 1986. all the loans, the soft loans, are converted into grants, both disbursed and non-disbursed Ioans and, therefore, there is no question of any 'oan now.

SHRi CHITTA BASU: All are bad debts? . . . *(Interruptions)*. ..

SHRI KAMAL MORARKA: Out of the total external debt, do we not neej any money from Canada at all? Is that the position? Or. is there any negotiation with C?nada just now on soft loans?

SHRI B. K. GADHVI: ¡Sir. as I said earlier, from the 31st of March 1986. all assistance has been in the form of grants and all assistance prior to 31-3-86 has been converted into grants . . . *(Interruptions)* .. .

L SHRI KAMAL MORARKA: No, No. ... .*(Interruptions)*. .Mr. Gadhvi, even if it is a grant, the question is what the terms are. Is there any negotiation with Canada? You forget March, 1986. You speak of the position as en 1-4-89. Is there any negotiation and if not, are there any grants under discussion with Can you getting any money from Canada and if so, for what?

MIRI B. K. GADHVI: On 31st January 1989, we have entered into a general agreement with the Economic Development Corporation by Coal India. That is nor a Government-to-Government agreement, but an agreement by Coal India with an organization there. A general agreement has also been entered into . . . *(Interruptions)* .. .and pursuant to that agreement, so far as that loan is concerned, it is s*ill not finalised... .*(Interruption!)* .

SHRI KAMAL MORARKA; Coal India is betting money from Canada on the guarantee of the Government of India? . . *(Interruptions)* . . .

SHRI B. K. GADHVI: I say, it is . anto, not loan.... *(Interruptions)*. . .

SHRI KAMAL MORARKA: Mr. Gadhvi. this is the problem.... *(Interrupt* ---- No grant from any of the Western countries is without strings. If you are trying to make us believe that Canada is going to give some machinery (0 India in return for nothing, it is very difficult for us to swallow. Please tell us, please take us into confidence. For the coal sector are we going to bay some junk ma-chinery? What exactly are we asking for? . . . *(Interruptions)*. . ,

SHRI B. K. GADHVL Sir. with regard to a particular coalmine... *(Interrup. tions)* ..there is an agreement and that is between Coal India and a Canadian or ganization the Canadian Economic Deve lopment Corporation. So far as the Gov ernment-to-Government question *h* con cerned, there is no question of any soft-term or hard-term loan.... *(Interrup tions)* .... ,

SHRI KAMAL MORARKA: But Coal India is a Government company Mr. Gadhvi. . . . *(Interruptions)*----------

MR. CHAIRMAN: He knows it; he knows the difference… *(Interruptions).*

SHRI YASHWANT SINHA: Sir, I must confess thai we are very much disappointed with the Minister's *reply* ■. *.(Interruptions) .. .Sir,* I would like to draw your attention $t_0$ the specific question that we have asked. The question is this: Whether any agreement has been signed with Canada $fo_r$ providing soft loan assistance to India. Now, we have not asked whether the Government of India has signed any agreement with the Government of Canada. We have not said that. We are merely asking whether an agreement has been signed with Canada for providing soft loans to India. Now, if any Canadian organisation which is controlled by the Government has signed an agreement with an Indian organisation, which is owned by the Government of India, it is covered by this question. What the Minister is saying is that there $i_s$ no subsisting agreement. I would suggest, Sir, before I put my supplementary, that this question must be referred back to the Minister and he must give us a complete reply before a supplementary can be asked. This is not the way *to* treat the House. It is ridiculous . . . *(Interruptions)* ...

SHRI B. K. GADHVI: Sir, I must submit that $perbap_s$ the honourable Member must read the question. The question is this: (a) whether any agreement has been signed with Canada for providing soft loan assistance to India; and (b) if so, what are the terms and conditions thereof and the extent of assistance to be received? This is the question. The answer is that there is no subsisting agreement. As I stated, Sir. .. *.(Interruptions)* ....

SHRr YASHWANT SINHA: Sir, he has informed the House just now that °n the 31st January. Coal India or somebody has signed $a_n$ agreement with a Canadian organization.. .*\Interruptions)* ..

about Coal fndia. You stated Coal India.

SHRI B. K. GADHVI: Sir, the word used in the answer is... *(Interruptions)* ..

PROF. C. LAKSHMANNA; Sir, is it not his responsibility to hammer it out? . . . *(Interruptions) , ..*

SHRi B. K. GADHVI: Sir, the words used $i_n$ the answer are: "There is no Subsisting agreement."

SHRI DIPEN GHOSH; You need not bother about the words. You give the reply. .. *(Interruptions) .. .*

PROF. C LAKSHMANNA: $Le_t$ us not go into the words of the question. Whatever be the words, the point is that there is an agreemeni between Coal India and a similar organization in Canada... *(Interruptions)* ...

SHRI KAMAL MORARKA: Sir, we call this as the Question Hour. I would suggest that it should be called as the Question *and* $Answe_r$ Hour, because we $ar_e$ only putting questions and not getting the answers. .. *(Interruptions) .. ,*

SHRI JAGESH DESAI; The Minister has given the reply. But the Member may not be satisfied with it.. *(Interruptions)*

SHRI B. K. GADHVI: Sir, the question was about soft loan, about soft loan assistance and. Sir. I have sta'ed that since the 31st of March 1986. all soft loans have been converted into grants. Since then all the loans were converted ino grants and. therefore, the question of soft-term loans or hard-term loans does not arise. So far as the commitment is toncemed, in 1986-87 we had 80 million Canadian dollars, in 1987-88 it was 80 million Canadian dollars and in 1988-89 it was 80 million Canadian dollars. So far as the break-up is concerned, for the project aid it was 60. for non-project aid it was 10. and for technical assistance it was 10. That means these are all grants; there is no question of loans a! all.

, MR. CHAIRMAN; He it talking

They want to know about Coal India. Is there any agreement with Coal India—loan or grants? *(Interruptions)*

SHRI JAGESH DESAI: The question does not arise.

MR. CHAIRMAN; You can really put this question to the Minister for Coal. *(Interruptions)*

SHRI B. K. GADHVI; So far as Coal India is concerned, the Rajamahal Open—Cast Coalmines project has been designed and a turn-key project has been given to the Canadian Commercial Corporation to be financed from the EDC loan, So it has nothing to do with Government it is between the Corporation and Coal India also, *(interruptions)*

SHRI YASHWANT SINHA: Why has a turn-key project been granted? *(Interruptions)*

SHRI A. G. KULKARNI: Sir. why are you allowing this question? We are interested in the next question. We are wasting' time.

MR. CHAIRMAN: Mr. Yashwant S nha, you very well know why a particular project has been given. The proper Ministry will be the Ministry concorned. *(Interruptions)* Mr. Jagesh Desai.

SHRI JAGESH DESAI; Mr. Chairman, Sir, 1 would like to know from the Government whether the Government of India has stood guarantee for the loan which has to be given by Canada *to* Coal India?

SHRI B. K. GADHVI: Yes. *(Interruptions )*

MR. CHAIRMAN: Prof. Lakshmanna. *(interruptions)* Mr. Sunil Basu Ray.

SHRI SUNIL BASU RAY: I want to knew from the hon. Minister whether the agreement between Coal India and Canada is about the import of machineries and other services from Canada and whethe, it is increasing our dependence on foreign technology only.

SHRI B. K. GADHVI: Sir, there is some component of Hie machinery import in that agreement but that has been given upto the valuation of our technology availability as well as expertise. Therefore there is no question that it would have any tendency to scuttle down our expertise.

SHRI SUNIL BASU RAY: Before clearing, has it gone into the matter sufficiently that this technology may be available in India because India has a long experience of coalmining?

MR. CHAIRMAN: This question may be important. But when you ask about a particular method that question should be addressed to Coal. You canot expect him to be a coal specialist also.

SHRI DIPEN GHOSH; Here there is a point. It relates to the Ministry of Energy. But the question is that while approving any grant or loan the Ministry of Finance goes into the details. Even in the case of . import of certain machinery in the shape of grant the Ministry of Finance has to ensure, first of all, whether this machinery could be available within India. So naturally the Ministry of Finance is expected to answer.

MR. CHAIRMAN: You know that the Ministry has to depend on the Min-istry. concerned, the specialist Ministry. Prof. Lakshmanna.

Prof. C. LAKSHMANNA; If the agreement which has been reached between Coal India and the Canadian Commercial Corporation goes wrong, if there is a commitment on the part of Coal India, will it not be the responsibility of the Governemnt of India and, therefore, the Finance Ministry, to intervene? If that is the case, what are the terms and conditions and why is this particular turnkey project being given to the Canadian Commercial Corporation?

SHRI B. K. GADHVI: They are financing the project. And there is no question of anything going wrong. They are doing it as a turnkey job.

PROF. C. LAKSHMANNA; But if something goes wrong is it not the responsibility of the Government of India?

MR. CHAIRMAN: So far as the Ministry of Finance is concerned it is only concerned with the financing part of it. As regards the question whether a particular thing is up-to-date or is the latest or not, that is for the Ministry concerned to decide. It is not the job of the Finance Ministry. The Finance Minister is not supposed to be a jack of all trades.

SHRI A. G. KULKARNI: What is all this? It is a wasteful discussion.

PROF. C. LAKSHMANNA: I take strong objection to his remark. Mr. Kulkarni is saying that it is a wasteful discussion. Does it mean that only what Mr. Kulkarni says is a useful discussion and whatever anybody else says is wasteful?

MR. CHAIRMAN: You decide it outside. My suggestion is both of you decide on it in the Central Hall.

SHRI A. G. KULKARNI: It does not behove a learned man like the Pro^ fessor. . .

MR. CHAIRMAN: I said both of you decide on it outside over a cup of coffee or whatever. Now I have called Mr, Bir Bhadra Pratap Singh.

SHRI BIR BHADRA PRATAP SINGH: I must congratulate the honourable Minister of Finance for his clever reply....

MR. CHAIRMAN. Congratulation is not part of the Question Hour.

' SHRI KAMAL MORARKA; Is it a right-handed compliment or left-handed compliment ?

MR. CHAIRMAN: Question Hour is neither for right-handed compliment nor for left-handed compliment.

SHRI BIR BHADRA PRATAP SINGH: The Minister started with "there is no such subsisting agreement". It means a future agreement could be there. It is quite open out of this answer. The second -reply' was "Soft loans are converted into grants. Therefore, the question that was put by Mr. Morarka does not arise." My honble question is, I am eager to know , whether we have adopted an opendoor policy about these foreign loans once again including Canada .

SHRI B. K. GADHVI. There is absolutely no question of an opening. It was a loan agreement before 1986. Later en it was converted into grants. Therefore, there is no subsisting agreeement on this.

**Clearance of proposals for Noida Export processing zones**

*144. SHRI CHIMANBHAI MEHTA: Will the Minister of COMMERCE be pleased to state:

(a) how many proposals in the Noida Export Processing Zones have been cleared so for in the stipulated time of 45—60 days and

(b) how many proposals are under Governments consideration that have crossed 60 days and what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) 102 proposals have been cleared within a period of 45—60 days in the Noida Export Processing Zone.

(b) Six proposals are pending decision. These cases require further scrutiny in the light of additional information or clarifications that have been called for and arc awaited.

SHRI CHIMANBHAI MEHTA: My question is: Which are the six proposals that are pending decision? Because, they clear almost all between 45 and 60 days. Now it is well known that one of the proposals is regarding Coca Cola. It has been reported in the *Business Standard* of February 5, more than 2-1/2 months back, that the Commerce Manister Said that the Coca-Cola proposal to set up a.unit in one of the export "processing zones rune